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THE EFFECT OF MERGERS AND ACQUISITION COMPANY'S MARKET VALUE:
APPLICATION ON THE ISE

ABSTRACT

In this study, the reflections of business associations on company values are examined and analyzed. Just before this analysis, business association terms are explained, and some topics like forms of business associations, association decisions, the reasons that lead to business associations, the advantages and disadvantages of business associations, and the association process are discussed. Furthermore, issues related to the definition, the scope, the importance, and the designation of company value are also handled. In the last part of the study, event survey method is used while analyzing the effects of company association and takeover announcements on stock returns. In this study, abnormal returns of holding after purchase and cumulative returns are calculated, depending on the released-to-public information of the companies that are traded in ISE, and whose purchase operations are performed with SPK license. According to these results, it is seen that associations generally have short term effects on the share prices, and the information regarding the market efficiency is obtained.

KEY WORDS:

Mergers and acquisitions, company value, event survey, cumulative average return, excessive return.